



COUNTY OF SAN DIEGO

2012 Certificates of Participation CEDAR & KETTNER DEVELOPMENT PROJECT

September 24, 2012



INTRODUCTIONS

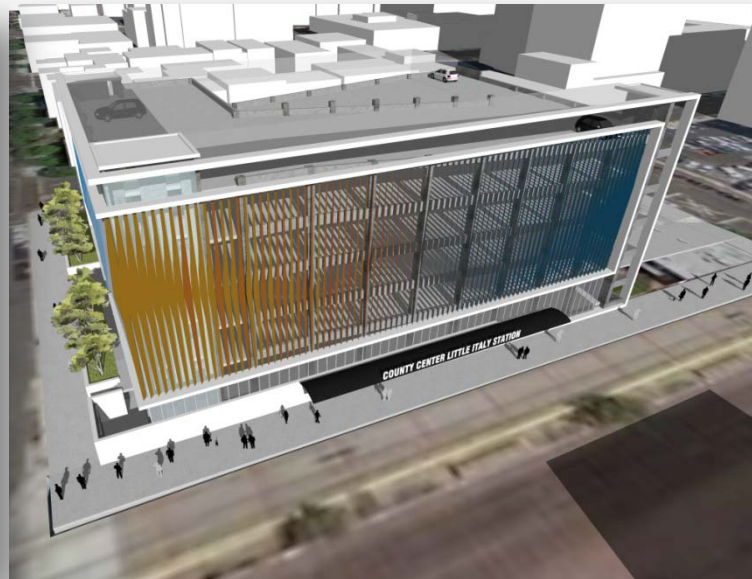
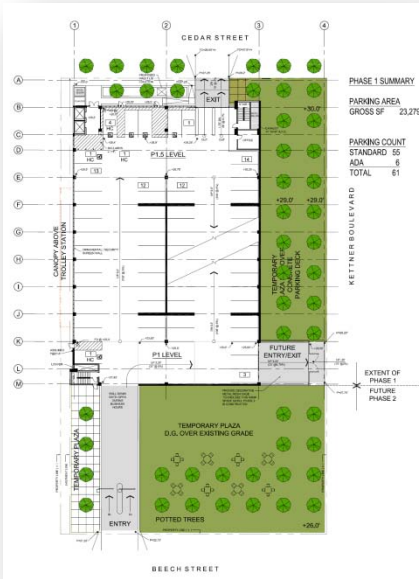
- County Presenters
 - Don Steuer, *Chief Financial Officer / Deputy Chief Administrative Officer*
 - Dan McAllister, *Treasurer-Tax Collector*
 - Ernie Dronenburg, *Assessor / Recorder / County Clerk*
 - Tracy Sandoval, *Auditor and Controller / Assistant Chief Financial Officer*
 - April Heinze, *Director, General Services*
 - Joan Pan, *Debt Finance Manager*
- Additional County Resources
 - Antoinette Chandler, *Chief Deputy Treasurer*
 - Jeff Olson, *Assessor / Recorder / County Clerk Division Chief*
 - Ebony Shelton, *Director, Office of Financial Planning*
 - Rob Castetter, *Chief Investment Officer*
 - Brian Hagerty, *Group Finance Director*
 - Damien Quinn, *Group Program Manager*
 - Grace Chang, *Investment Officer*
 - Rosemarie DeGracia, *Financial Policy and Planning Officer*



OVERVIEW

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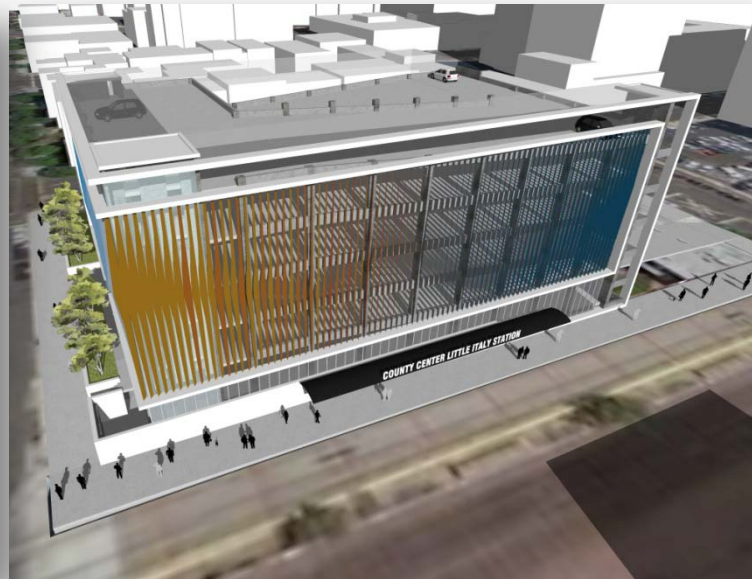
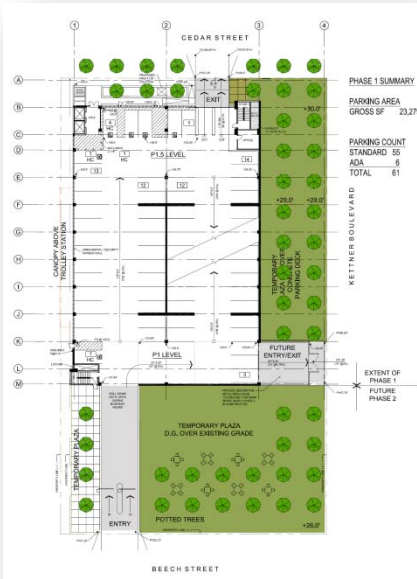


EXECUTIVE SUMMARY

EXECUTIVE SUMMARY

- **Regional Economic Highlights**
 - Regional economy continues to slowly improve
 - San Diego economy is diverse, supported by a broad array of sectors
- **San Diego County Assessed Valuation**
 - Ongoing proactive management approach
 - 1% assessed valuation (AV) decrease reflected in Fiscal Year 2012-13 budget
 - 0.14% actual AV decrease for Fiscal Year 2012-13
- **County's Financial Strength and Stability**
 - Proactive management of cost structure
 - Strong fund balances maintained
 - Structurally balanced budget despite structural changes in State / County responsibilities
 - Continued investment in capital infrastructure
- **Pension System**
 - Close monitoring of pension fund performance
 - Additional contribution in excess of required contribution made for Fiscal Year 2012-13
- **Series 2012 COPs: Cedar and Kettner Development Project**
 - Related project to CAC Waterfront Park (Series 2011 COPs), which will enhance the region and provide greater opportunities for economic development but reduce amount of parking at the CAC
 - 2012 COPs supplement the Series 2011 COPs bond documents ,and continue to use the George Bailey Detention Facility as the Leased Property
 - While a General Fund lease, obligation expected to be paid from revenues received under a tax sharing agreement with the City of San Diego; no net impact anticipated on the General Fund

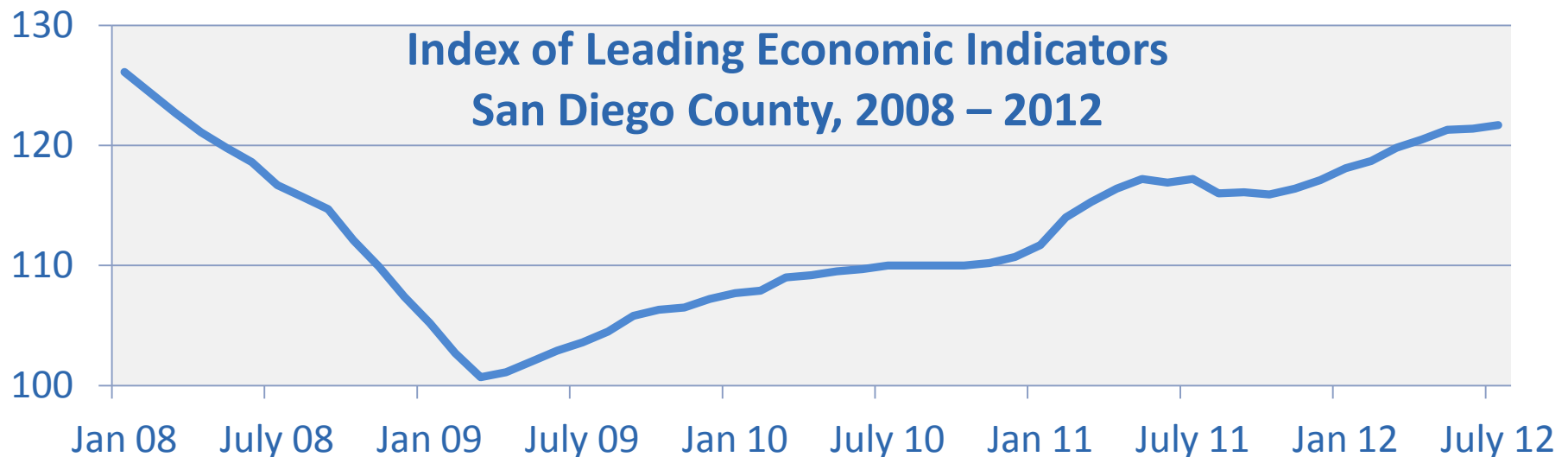




REGIONAL ECONOMIC UPDATE

REGIONAL ECONOMY CONTINUES TO IMPROVE

- In July 2012, The University of San Diego's Index of Leading Economic Indicators rose 0.3% from the previous month ⁽¹⁾
 - Increases in authorized building permits and economic outlook
 - Despite a rise in initial jobless claims, hiring continues as evidenced by an increase in help wanted advertising
 - Local stock prices up 12.56% through July of 2012



REGIONAL ECONOMIC HIGHLIGHTS

- San Diego's economy is expected to increase 1.8% in 2012 ⁽¹⁾
 - Region added 9,100 jobs in the last two months ⁽²⁾
 - Consumer spending is on the rise ⁽³⁾
 - Projected increase of 15.2% in housing construction starts ⁽¹⁾
- In July 2012 the County's unemployment rate was 9.2% ⁽²⁾
 - State unemployment rate was 10.9%
 - Average unemployment for top ten largest California counties was 10.8%

Unemployment Rate* Largest California Counties	
Fresno	14.7%
Riverside	13.0%
San Bernardino	12.4%
Los Angeles	11.9%
Sacramento	11.1%
Alameda	9.5%
Contra Costa	9.4%
San Diego	9.2%
Santa Clara	8.7%
Orange	7.9%

*As of July 2012

(1) Cassidy Turley, SDSU, National University System Institute for Policy Research

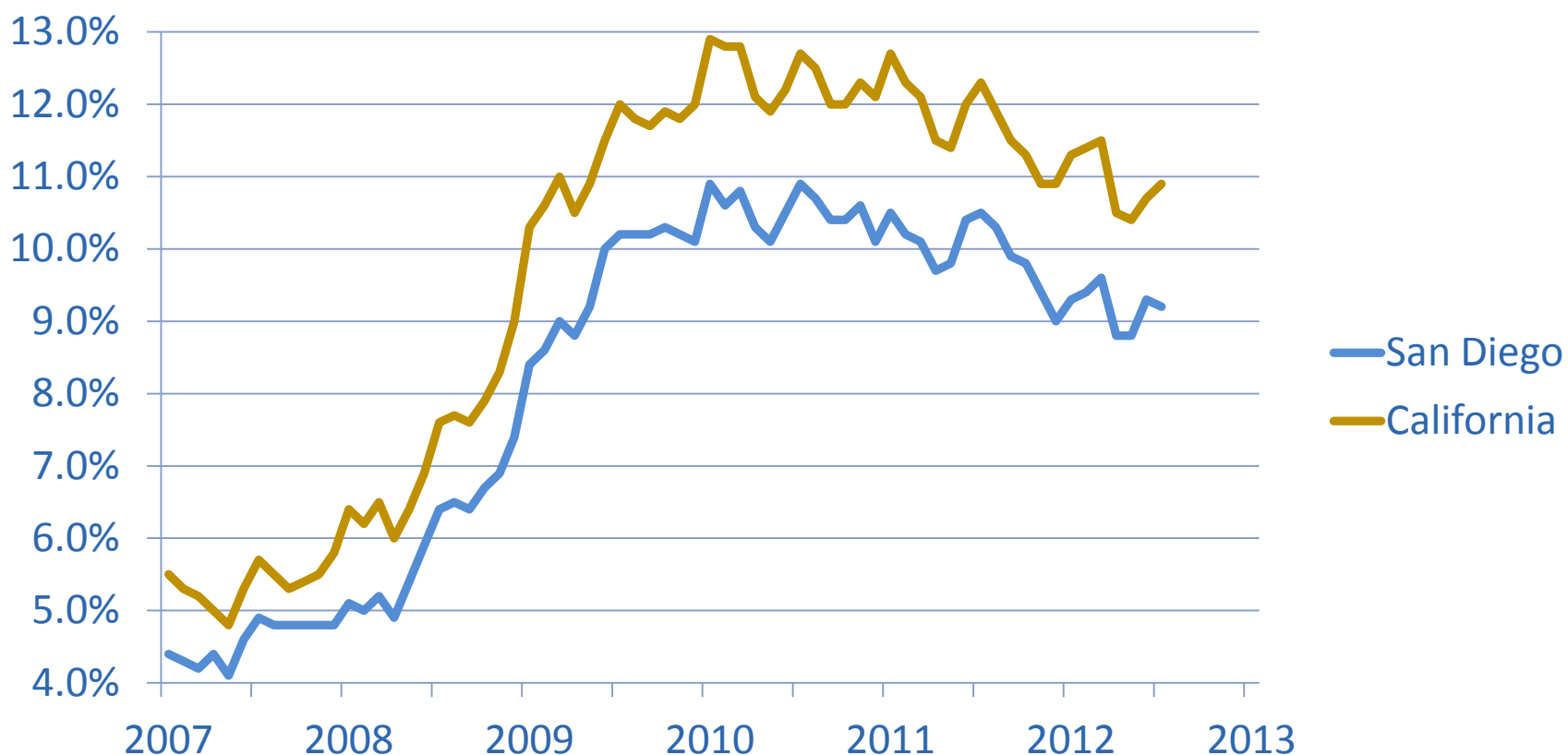
(2) California Employment Development Department

(3) Los Angeles Economic Development Corporation



UNEMPLOYMENT TRENDS

- San Diego County's unemployment rate has been consistently below the rate for the State of California



DIVERSE ECONOMY

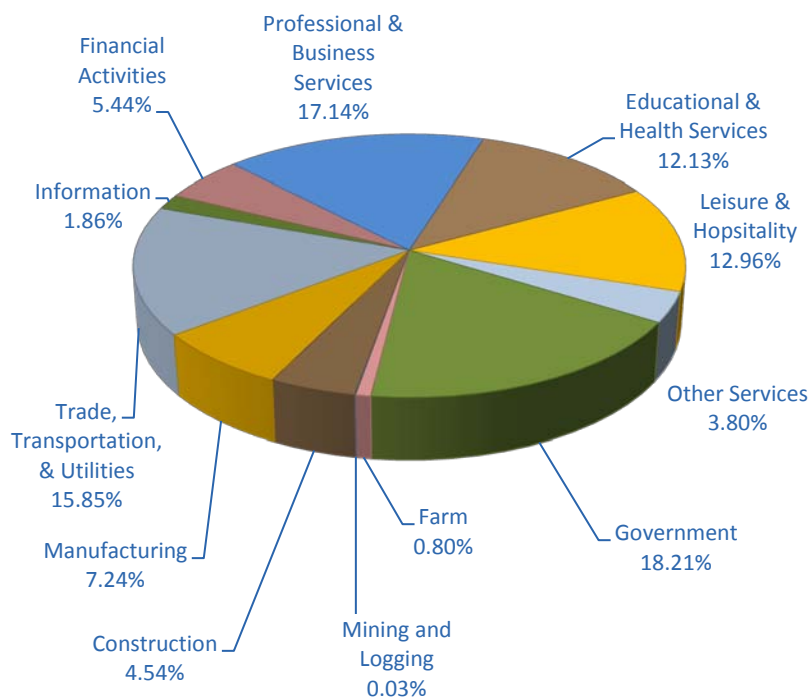
- Diverse industries underpin regional economic strength
 - Tourism
 - San Diego Convention and Visitors Bureau expects 31.7 million visitors to spend \$7.8 billion in 2012 ⁽¹⁾
 - 14.5 million visitors spent \$3.8 billion in the first half of 2012 ⁽¹⁾
 - Major international ports of entry
 - Home to the world's busiest land border crossing, San Ysidro ⁽²⁾
 - New land port of entry, Otay Mesa East, set to begin construction in 2013 ⁽³⁾
 - Defense industry
 - Defense-related activities and spending will generate \$32 billion of gross regional product (GRP) in 2012 ⁽⁴⁾
 - Biotech, tech, and venture capital industries
 - Venture capital firms invested \$305 million in San Diego companies during the second quarter of 2012 ⁽⁵⁾

(1) Sandiego.org
(2) General Services Administration
(3) San Diego Regional Chamber of Commerce
(4) San Diego Military Advisory Council
(5) National Venture Capital Association



DIVERSE ECONOMY SUPPORTED BY A BROAD ARRAY OF SECTORS

Employment by Industry ⁽¹⁾



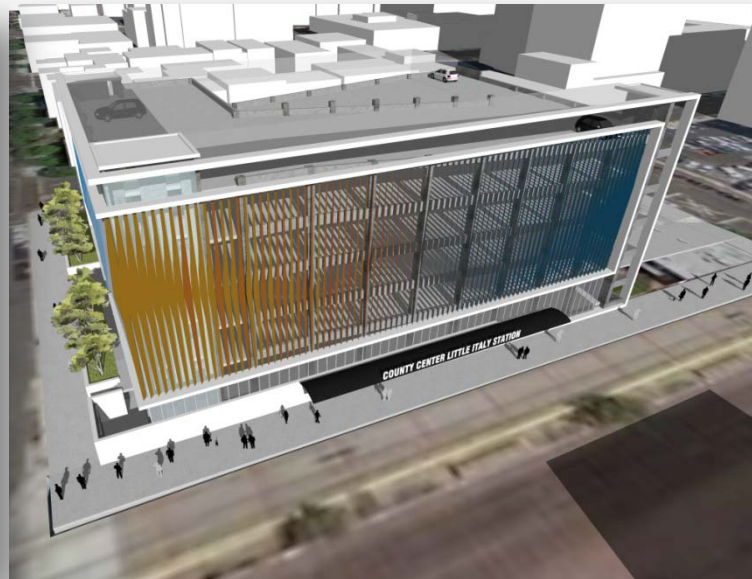
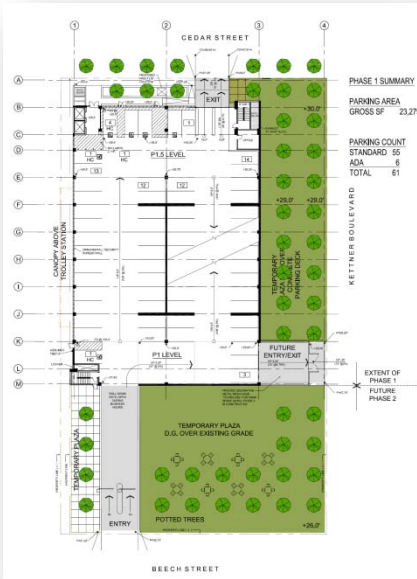
Ten Largest Taxpayers for FY11-12 ⁽²⁾

Property Owner	Business Area	Tax Amount
San Diego Gas & Electric Co.	Gas and Electric Utility	\$72,700,025
Southern California Edison	Electric Utility	29,326,274
San Diego Family Housing LLC	Real Estate	14,971,827
Kilroy Realty LLP	Real Estate	14,827,846
Qualcomm, Inc.	Telecommunication	14,298,177
Irvine Co.	Real Estate	13,623,558
Pacific Bell Telephone Co.	Telecommunication	11,548,983
OC / SD Holdings LLC	Real Estate	6,426,527
Arden Realty LLP	Real Estate	6,213,806
Genentech Inc.	Biotechnology	5,604,151
TOTAL		\$189,541,171
<i>% of Total Secured Tax Roll</i>		<i>4.94%</i>



(1) As of June 2012. California Employment Development Department.

(2) County of San Diego Auditor & Controller



REAL ESTATE MARKET UPDATE

FY 2012-13 TAX ROLL VALUE CHANGES (KEY ELEMENTS)

Changes	FY 12-13 Final Totals (billions)
Prop 13 Based Indexing – 2%	\$4.786
Change in Ownership – \$56,000 per event on average	\$4.822
Completed Construction – slight increase	\$1.920
Unsecured Properties AV Changes – slight increase	\$0.042
Prop 8 Reductions, Appeals & Other Reductions – \$8.24 billion proactive	\$(9.598)
Other Properties ⁽¹⁾	\$(2.482)
	Total ⁽²⁾ <u>\$(0.510)</u>

(1) \$1.665 billion of this amount is a total of three one-time only major events

(2) \$0.510 billion is a 0.14% decrease of Fiscal Year 2011-12 AV of \$392.375 billion



ASSESSMENT APPEALS

ASSESSED VALUE EXPOSURE

Residential Assessment Appeals

Appeal Year	2009	2010	2011	2012 YTD ⁽¹⁾
Applications Received (Parcel Count)	19,530	12,039	20,595	2,114
Applications Completed (Parcel Count)	19,528	11,984	15,246	98
% Complete	99.9%	99.5%	75.3%	4.6%
% Reduction Requested	23.2%	31.6%	28.2%	31.7%
Actual % Reduction Given	11.6%	12.8%	11.0%	3.6%
Actual AV Reduction Given	\$1.5 B	\$1.1 B	\$0.8 B	\$0.0 B

Commercial Assessment Appeals

Appeal Year	2009	2010	2011	2012 YTD ⁽¹⁾
Applications Received (Parcel Count)	6,088	6,808	6,480	530
Applications Completed (Parcel Count)	5,939	6,273	1,288	0
% Complete	97.6%	92.1%	19.0%	0.0%
% Reduction Requested	37.4%	43.5%	45.0%	36.5%
Actual % Reduction Given	12.7%	13.2%	10.9%	0.0%
Actual AV Reduction Given	\$5.2 B	\$4.8 B	\$0.8 B	\$0.0 B



RESIDENTIAL REAL ESTATE MARKET CONTINUES TO IMPROVE

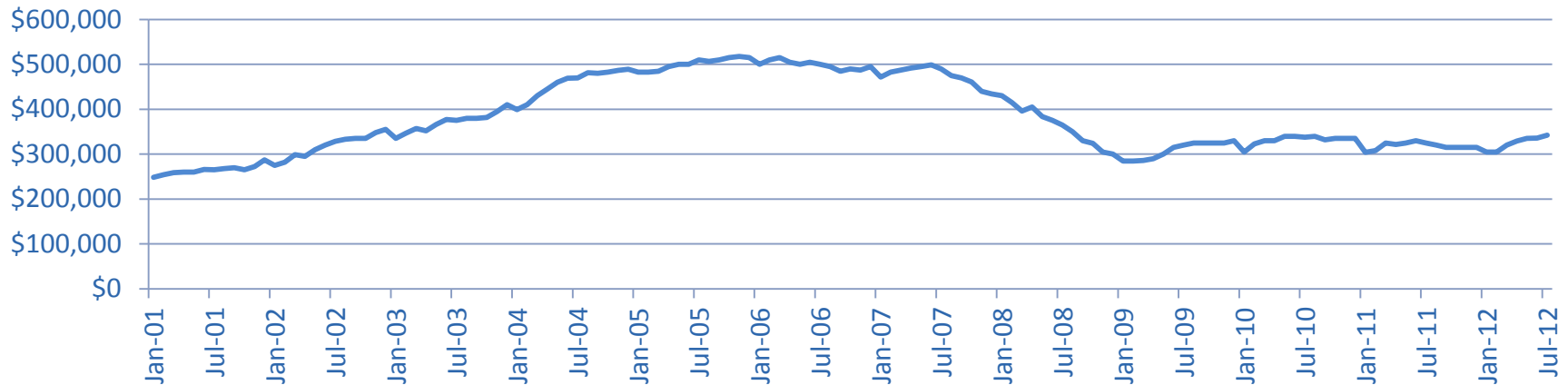
Residential Sales Activity is Increasing

County	YTD 2011	YTD 2012	% Change
Orange	15,069	17,397	15.45%
San Diego	18,242	20,576	12.79%
Los Angeles	36,336	40,749	12.14%
San Bernardino	14,220	14,587	2.58%
Riverside	21,047	21,316	1.28%
SoCal	109,141	119,665	9.64%

Median Home Price is on the Rise

County	YTD 2011	YTD 2012	% Change
San Bernardino	149,417	155,958	4.38%
Riverside	195,000	202,500	3.85%
San Diego	322,375	327,917	1.72%
Orange	429,583	424,417	-1.20%
Los Angeles	318,833	314,167	-1.46%
SoCal	280,583	289,292	3.10%

Median Home Price



RESIDENTIAL & COMMERCIAL ACTIVITY

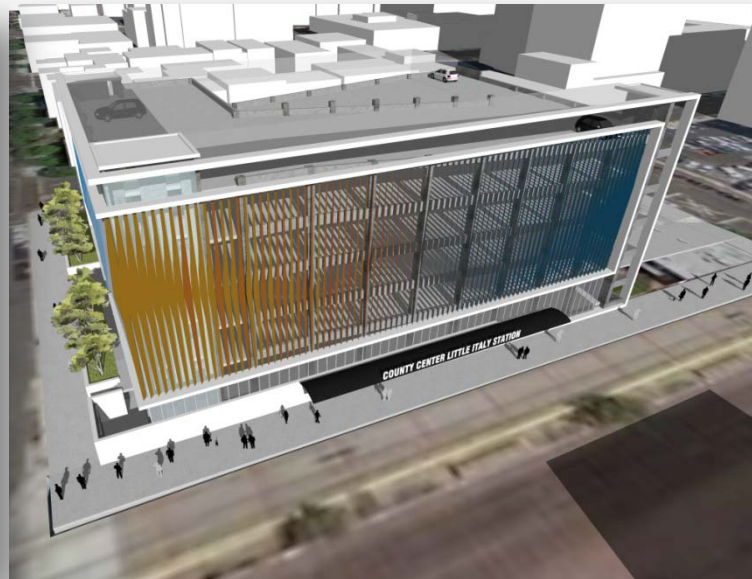
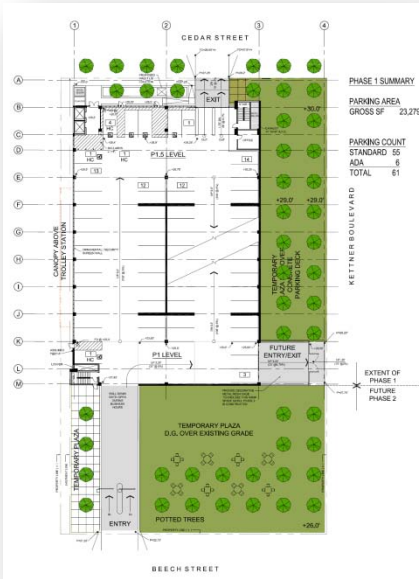
Real Estate Mapping Activity (Residential)

Calendar Year of	2008	2009	2010	2011	2012 Projected
Subdivision Lots	530	206	320	1,034	980
Condominium Units	384	800	621	774	775

Real Estate Parcel Activity

Calendar Year of		2008	2009	2010	2011	2012 Projected
Change in Ownership	Residential	60,876	57,455	56,488	51,653	52,000
	Commercial	1,760	1,408	1,682	1,948	2,000
New Construction	Residential	15,419	8,055	7,762	8,165	7,750
	Commercial	1,501	787	585	603	600





COUNTY FINANCES AND CREDIT

PROACTIVE FINANCIAL MANAGEMENT PRACTICES

- County has institutionalized financial management policies:
 - Fund balance and reserves
 - Use of one-time revenues for one-time purposes only
 - Capital Facilities and Space Planning, Use of Capital Program Funds
 - Long-term Obligation Management, Debt Advisory Committee
 - Post-issuance compliance, refunding, and swap policies
 - Risk Overview Committee, Disclosure controls and procedures
 - Treasury Oversight Committee, Investment Policy, Investment Manual
- County Budget is structurally balanced:
 - Conservative budgeting consistently produces net operating surplus
 - Long-term capital planning policy and five year capital needs assessment program coincide with Five-year Financial Forecast
 - One-time revenues only used for one-time expenditures; ongoing revenues are also used for one-time projects
 - GFOA Distinguished Budget Presentation Award
- Comprehensive financial reporting and forecasting:
 - Risk Overview Committee / Disclosure Controls and Procedures
 - Two-year Operational Plan and five-year financial forecast
 - Quarterly Variance Reports posted on County website
 - State Controller's Award for Achieving Excellence in Financial Reporting
 - GFOA Certificate of Achievement for Excellence in Financial Reporting for both County and Investment Pool CAFR



STRONG FUND BALANCES MAINTAINED

Fund Balance	FY 2008-09 \$ million / % of FB		FY 2009-10 \$ million / % of FB		FY 2010-11 ⁽¹⁾ \$ million / % of FB		FY 2011-12 ⁽²⁾ \$ million / % of FB	
Nonspendable	\$12.0	1.0%	\$12.6	1.0%	\$11.3	0.8%	\$12.0	0.8%
Restricted	232.1	19.5%	151.7	12.4%	215.0	15.4%	238.3	16.1%
Committed	285.6	24.0%	389.4	31.9%	514.7	36.9%	502.7	33.9%
Assigned	84.3	7.1%	72.8	6.0%	40.6	2.9%	63.8	4.3%
Unassigned	576.0	48.4%	593.6	48.7%	612.8	44.0%	665.4	44.9%
TOTAL GF FUND BALANCE	\$1,190.0		\$1,220.1		\$1,394.4		\$1,482.2	

GF Expenses	\$3,117.1	\$3,038.4	\$3,116.8	\$3,219.4
GF Fund Balance as a % of GF Expenses	38.2%	40.2%	44.7%	46.0%



CONSERVATIVE BUDGETING & STRONG FINANCIAL PERFORMANCE

- The County budgets conservatively, consistently generating a net operating surplus

(in millions)	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12 ⁽²⁾
Projected Year-End Unassigned Fund Balance ⁽¹⁾	\$474.6	\$428.3	\$525.9	\$582.5
Actual Year-End Unassigned Fund Balance	576.0	593.6	612.8	665.4
Difference	\$101.4	\$165.3	\$86.9	\$82.9

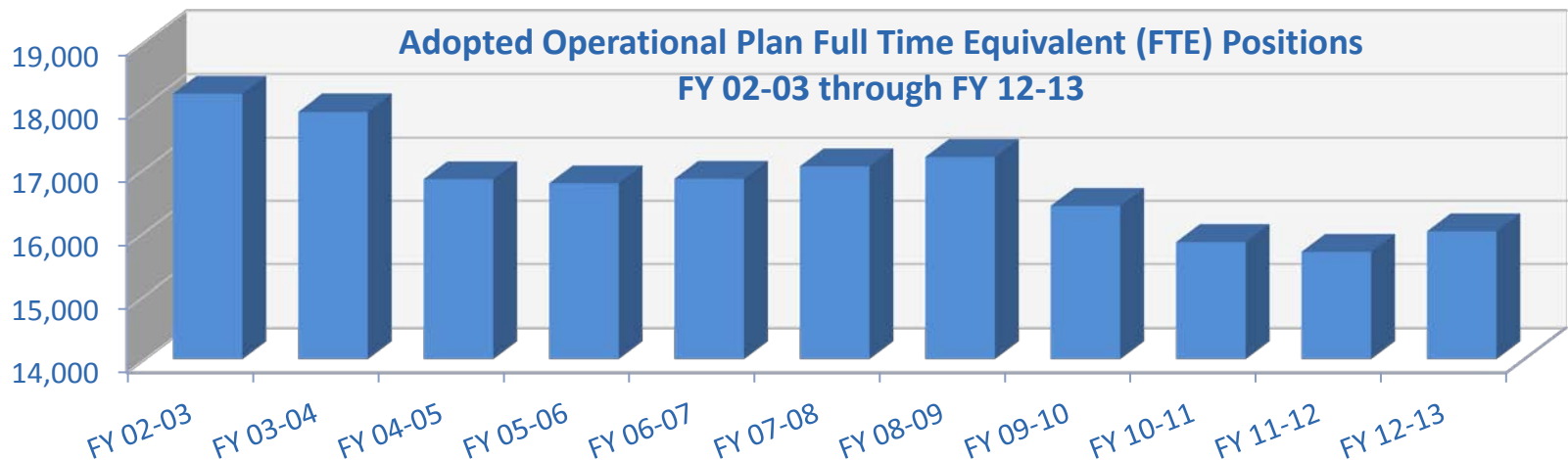
(1) Projected net savings as of third quarter for all years

(2) FY 2011-12 Actual Year-End Unassigned Fund Balance is unaudited and as of September 5, 2012



FY 2012-13 ADOPTED OPERATIONAL PLAN HIGHLIGHTS

- GPR growth of 0.3% or \$2.7 million and program revenue growth of 2.9% or \$74.3 million
 - Assumes 1.0% decrease in Assessed Value
- Negotiated labor agreements
 - 5% flex credit increase
 - Additional 0.75-2% reduction in negotiated retirement offset
 - 1% one-time salary payment for 5 SEIU bargaining units
- FTE increase of 323.5
 - 166.0 for Family Resource Centers / ACCESS
 - 141.0 for AB 109 – Public Safety Realignment
 - 16.5 in Other programs



FY 2012-13 ADOPTED OPERATIONAL PLAN HIGHLIGHTS

- Proactive pension funding
 - Budgeted retirement voluntary contribution of \$19.3 million above ARC
 - Additional voluntary contributions will total \$141.7 million since Fiscal Year 2004-05
 - Continues pension stabilization fund to prepare for future increases in retirement contributions
- Appropriations for capital projects
 - \$35.4 million in additional appropriations for Cedar & Kettner Development Project
- One-time uses of \$115.0 million to fund one-time projects
 - Management Reserves , Major Maintenance, Rebudgets, Relocation to COC, Negotiated 1% salary payment, Various IT , etc.
- Continues funding of reserves above targeted levels



RESERVE TARGETS MAINTAINED OR EXCEEDED

- Reserves have been maintained above targeted levels

RESERVE TARGETS AND BUDGETED AMOUNTS

Fiscal Year 2012-13 Budgeted General Purpose Revenue (GPR): \$967.1 million

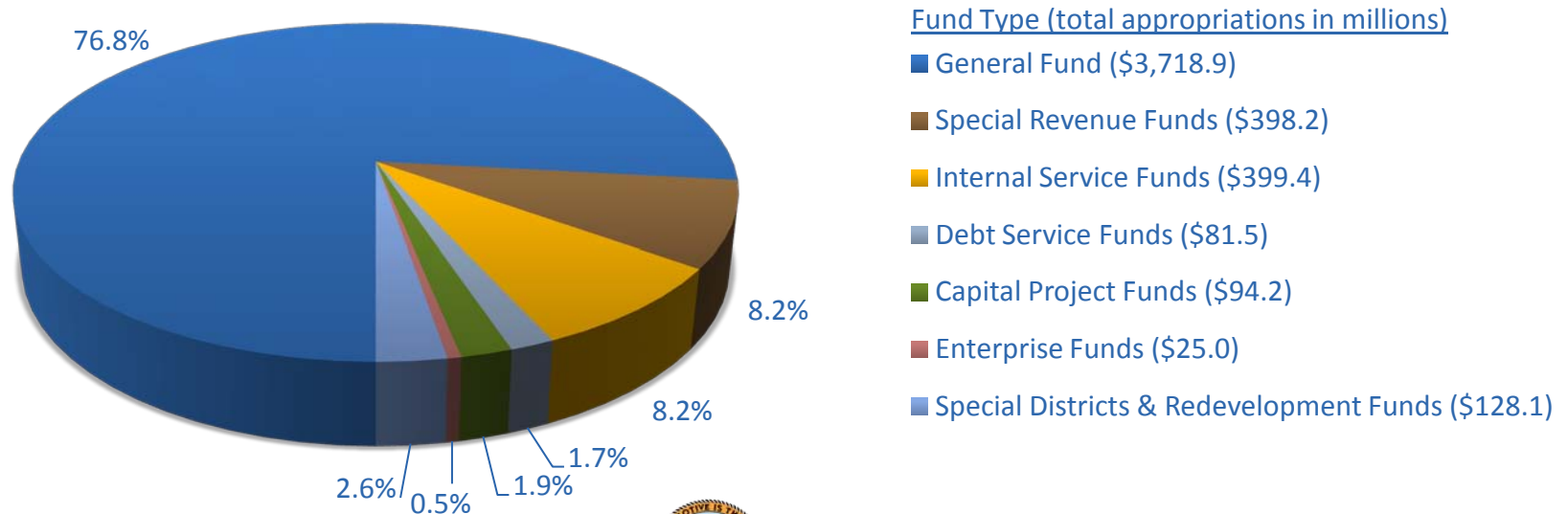
(in millions)	Target		Current
Committed Fund Balance – Unforeseen Catastrophic Events	5%	\$48.4	\$55.5
General Fund Contingency Reserve – Operations	2%	19.3	20.0
General Fund Minimum Fund Balance for Economic Uncertainty	10%	96.7	100.0
TOTAL	17%	\$164.4	\$175.5



FY 2012-13 ADOPTED OPERATIONAL PLAN: ALL FUNDS

- Adopted budget for all funds of \$4.845 billion
 - 0.3% decrease from Fiscal Year 2011-12 Adopted Operational Plan

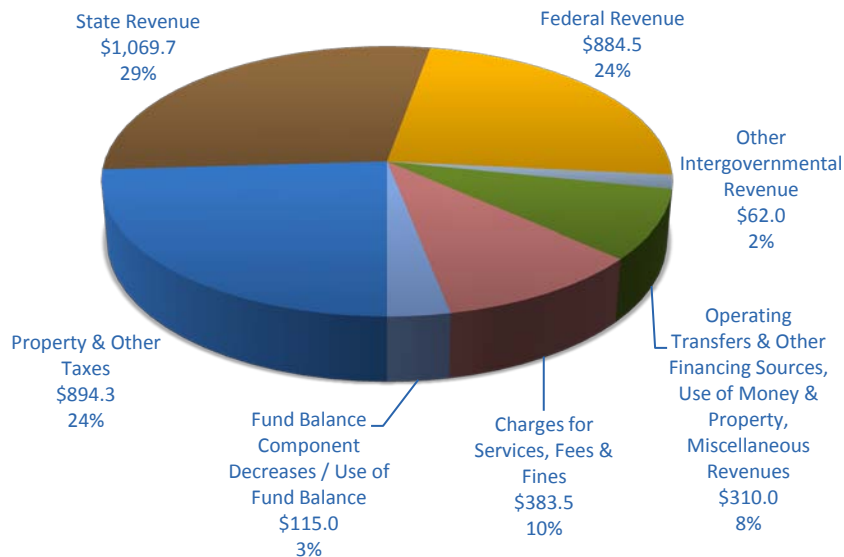
Total Appropriations by Fund Type Fiscal Year 2012-13: \$4.845 billion



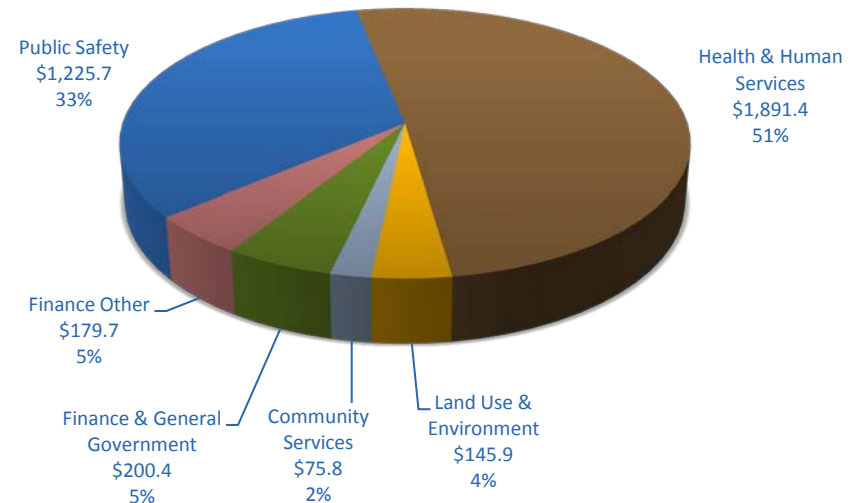
FY 2012-13 ADOPTED OPERATIONAL PLAN: GENERAL FUND

- Adopted budget of \$3.72 billion
 - 0.6% decrease from Fiscal Year 2011-12 Adopted Operational Plan

General Fund Financing Sources
Fiscal Year 2012-13: \$3.72 billion
(in millions)



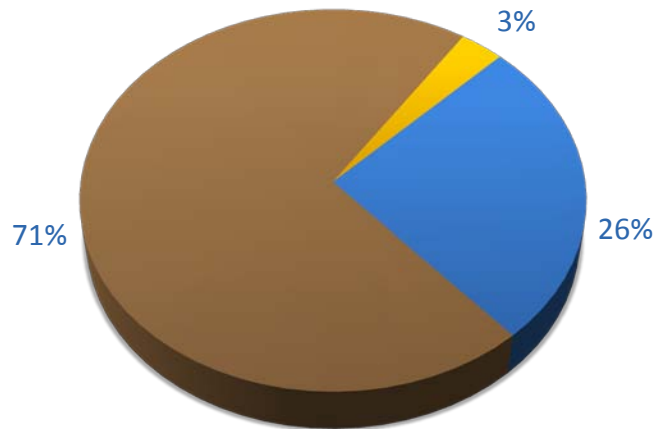
Appropriations by Group / Agency
Fiscal Year 2012-13: \$3.72 billion
(in millions)



FY 2012-13 ADOPTED OPERATIONAL PLAN: GENERAL FUND REVENUE

- Adopted budget of \$3.72 billion
 - 0.6% decrease from Fiscal Year 2011-12 Adopted Operational Plan

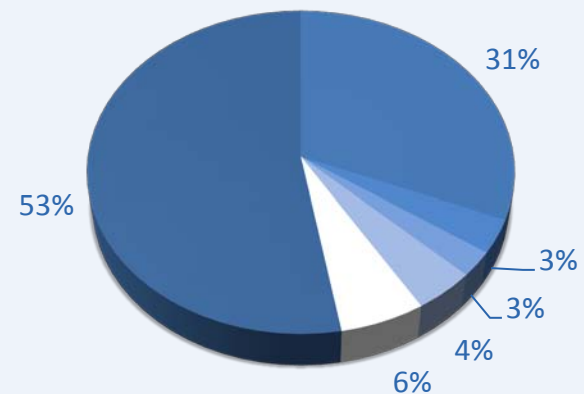
General Fund Financing Sources by Category
Fiscal Year 2012-13: \$3.72 billion



General Fund Financing Source Category (total appropriations in millions)

- General Purpose Revenues (\$967.1)
- Program Revenues (\$2,636.8)
- Fund Balance Component Decreases / Use of Fund Balance (\$115.0)

General Purpose Revenue by Source
Fiscal Year 2012-13: \$967.1 million



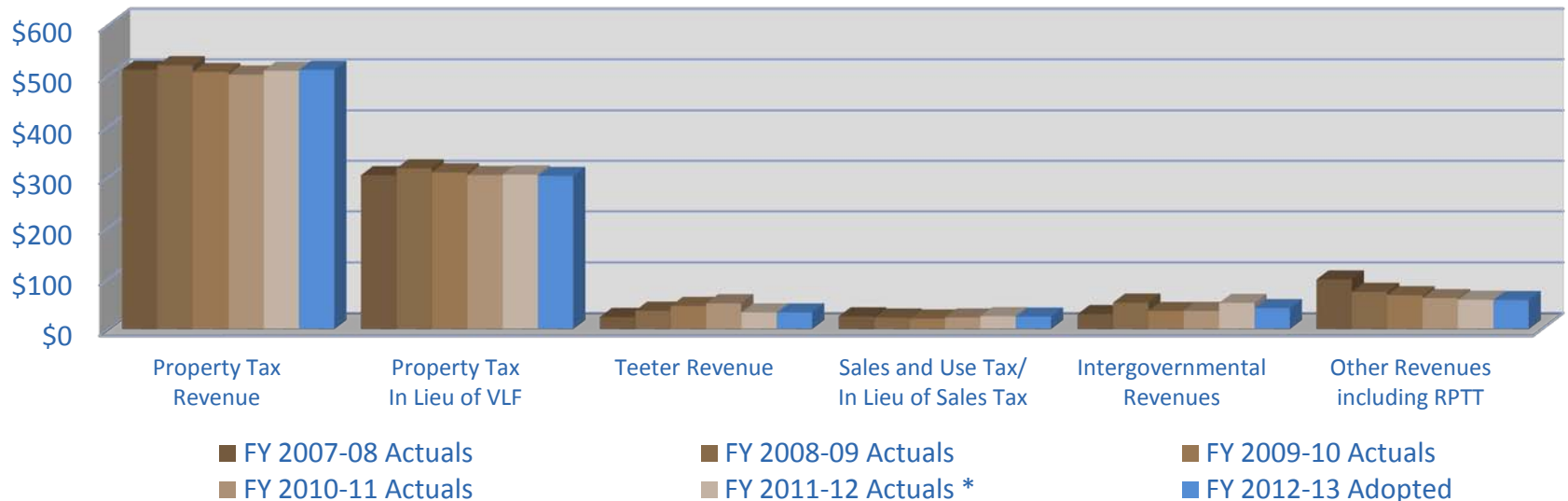
GPR by Source (total appropriations in millions)

- Property Tax Revenue (\$510.5)
- Property Tax in Lieu of VLF (\$301.7)
- Teeter Revenue (\$32.5)
- Sales & Use Tax / In Lieu of Sales (\$24.4)
- Intergovernmental Revenue (\$41.0)
- Other Revenues including RPTT (\$57.1)



HISTORICAL GENERAL PURPOSE REVENUE

General Purpose Revenues by Source (millions)	FY 2007-08 Actuals	FY 2008-09 Actuals	FY 2009-10 Actuals	FY 2010-11 Actuals	FY 2011-12 Actuals *	FY 2012-13 Adopted
Property Tax Revenue	\$510.8	\$519.8	\$506.4	\$501.2	\$508.9	\$510.5
Property Tax in Lieu of VLF	303.3	316.9	308.8	303.6	304.6	301.7
Teeter Revenue	23.6	36.1	45.4	50.7	32.5	32.5
Sales and Use Tax/In Lieu of Sales Tax	24.9	22.4	20.6	22.5	25.1	24.4
Intergovernmental Revenues	29.4	51.9	35.4	35.7	51.4	41.0
Other Revenues including RPTT	97.9	73.3	66.7	60.9	57.6	57.0
TOTAL	\$989.9	\$1,020.5	\$983.3	\$974.6	\$980.1	\$967.1



STATE IMPACTS

- \$16.7 billion gap, including a \$1 billion reserve, addressed through:
 - 49% expenditure reductions, 36% revenue increases (ballot proposal for temporary sales/income taxes), 15% other solutions
- County impact in Health and Human Services Agency
 - Redesign of CalWORKS program
 - Reduction in IHSS hours
 - Changes to Coordinated Care Initiative implementation plan
 - Elimination of Healthy Families program, will transfer additional beneficiaries to the County's Medi-Cal caseloads, requiring 150 – 300 additional program revenue supported FTEs
- County impact in Public Safety Group
 - \$24,000 fee per offender for youth held in state custody (beginning July 1, 2012)
 - Fiscal Year 2012-13 will reflect only youth sentenced to state custody after July 1, 2012
 - Estimated annual impact at full implementation is \$1.2 million to \$1.5 million
- AB109, Public Safety Realignment 2011, has resulted in 1,561 offenders to serve sentences in County facilities instead of state prison
 - Increase from Realignment inmate population is leveling off, and County continues to manage inmates within capacity
 - Additional 400-bed East Mesa Detention Re-Entry and Rehabilitation Facility anticipated to be completed in 2014, and its operations and maintenance are anticipated to be supported by program revenue
- If Proposition 30, Sales and Income Tax Increase, is successful, 2011 Realignment funding will be constitutionally protected
- Pension reform impacting all public pension systems governed by state statute, including 37 Act systems and the County
- Redevelopment dissolution activities are ongoing and Fiscal Year 2012-13 Operational Plan does not reflect any potential redistribution amounts



REDEVELOPMENT DISSOLUTION

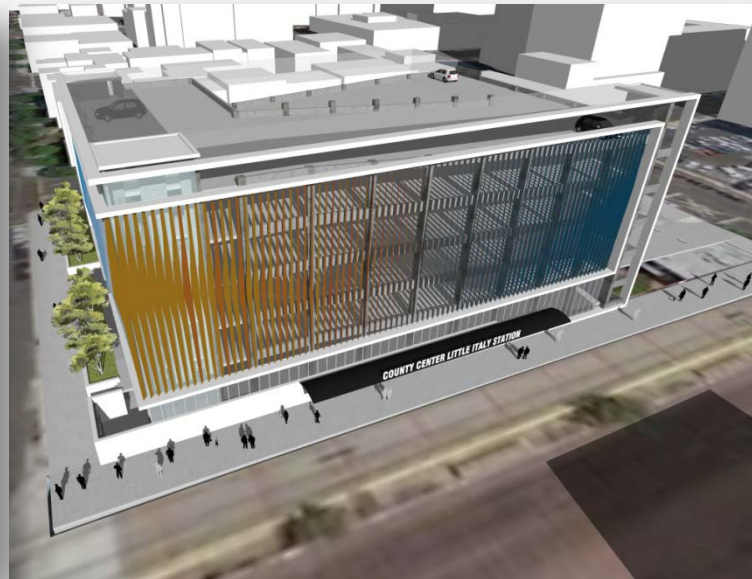
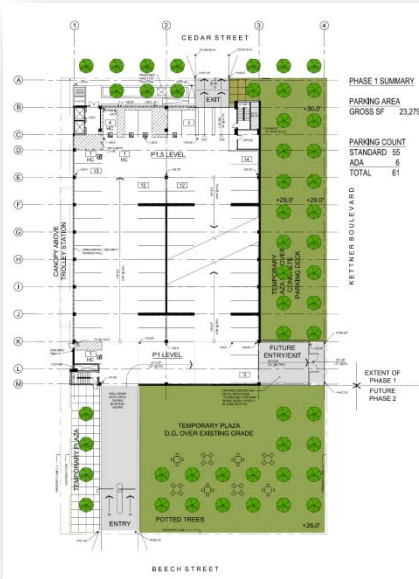
- Legislation passed in 2011, and further actions taken by courts, dissolved redevelopment agencies as of February 1, 2012
- Department of Finance, State Controller's Office and Auditor and Controller have responsibilities in overseeing the dissolution process
- County has not included in its budget any potential amounts resulting from redistribution



LOOKING AHEAD

- Continue to monitor short-term and long-term factors
 - Ongoing State budget issues
 - Slow economic recovery
 - Retirement costs
 - Property tax base
 - Sales tax / vehicle license fees
- Strategies to match expenditures to revenues
 - Match program revenue-based services to available revenue
 - Careful consideration of salary and benefit structure
 - Proactively manage retirement costs and obligations
 - Full cost recovery (Board Policy B-29)
 - Re-examine capital program
 - C.O.R.E. (Consolidate Outsource Re-engineer Eliminate)





COUNTY RETIREMENT SYSTEM

CALIFORNIA PUBLIC EMPLOYEES' PENSION REFORM ACT OF 2013 (AB 340)

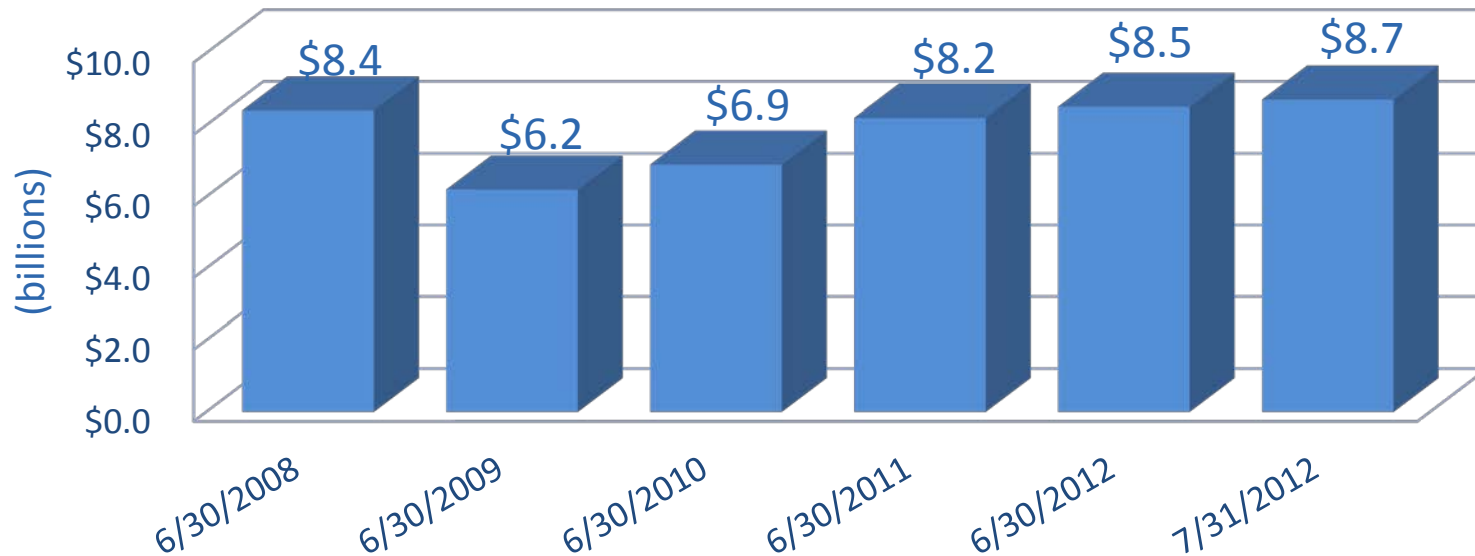
- General provisions
 - Effective January 1, 2013
 - Prohibits retroactive pension benefit increases, purchase of nonqualified service credit, contribution holidays
 - Restricts retirees returning to service or serving on a board or commission
 - Addresses pension spiking
- More limited pension benefits offered to new members
 - Lower cost pension formula
 - General: 1% @ 52; 2% @ 62; 2.5% @ 67
 - Safety: One of three formulas: 2% @ 57; 2.5% @ 57; or 2.7% @ 57
 - Pension benefits more conservatively calculated
 - Caps compensation amount used to determine pension benefits
 - Final compensation calculated based on highest average compensation during a period of at least three years
 - Requirement for employees to pay at least 50% of normal costs
- Impacts on current members
 - Authorizes negotiation of cost sharing agreements for all or a part of member or employer contributions without limit on the amount paid by members
 - Starting January 2018, if current members are not paying 50% of normal cost or if no agreement has been negotiated, Board of Supervisors may require current members to pay at least 50% of pension costs within limits as outlined in statute



RETIREMENT SYSTEM UPDATE

- Estimated total market value of net pension assets
 - June 30, 2012: \$8.52 billion, a 6.42% increase from July 1, 2011
 - July 31, 2012: \$8.67 billion

Estimated Total Market Value of Net Pension Assets

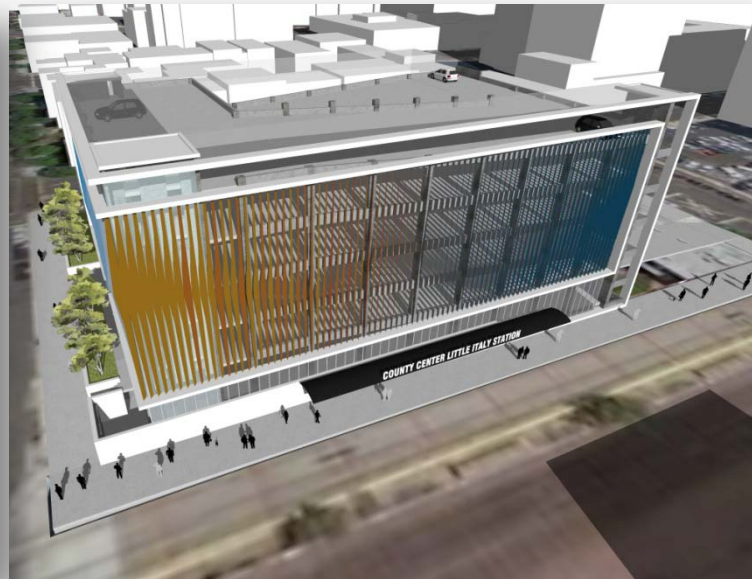
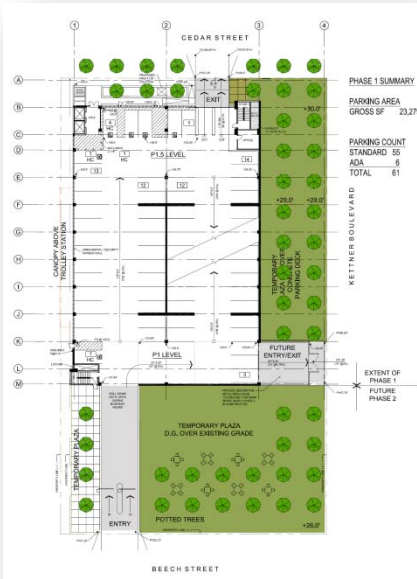


SDCERA FUNDING STATUS

Fiscal Year	Employer Contribution	Valuation Date (June 30)	UAAL	Funded Ratio
2006-07	\$258.2	2005	\$1,378.4	80.3%
2007-08	236.8	2006	1,232.3	83.6
2008-09	219.6	2007	832.1	89.7
2009-10	189.5	2008	485.4	94.4
2010-11	235.4	2009	785.6	91.5
2011-12 *	294.6	2010	1,566.0	84.3
2012-13 *	326.7	2011	1,940.0	81.5
2013-14 *	388.0	2012	2,432.0	78.1
2014-15 *	433.0	2013	2,832.0	76.0
2015-16 *	429.0	2014	2,561.0	79.5
2016-17 *	431.0	2015	2,354.0	82.2

* Assumes for the year ending June 30, 2012 and each year thereafter, the Association will earn a market return of 8.00%. Projections based on June 30, 2011 valuation and November 15, 2011 projections.





CEDAR AND KETTNER DEVELOPMENT PROJECT & LEASED ASSET

CAC WATERFRONT PARK PROJECT UPDATE

- To date
 - Askew Building demolished
 - Design-Build Team contract awarded
 - Managed Parking contract awarded
- September 2012
 - South Parking lot closes, start of underground garage construction
 - North Parking lot restriped
 - Start of shuttle service and off-site parking
 - Groundbreaking Ceremony for Waterfront Park
- September 2013
 - Underground garage opens
 - Start of surface park construction: Great lawn, Civic fountain, Cooling tower
- Estimated completion in Summer 2014



CEDAR & KETTNER DEVELOPMENT PROJECT PARKING STRUCTURE

- Phase 1 of Cedar and Kettner Development Project includes a seven-level parking structure
- Provide parking for staff close to the County Administration Center to replace parking eliminated by the Waterfront Park



CEDAR & KETTNER SITE



Looking south to the STAR Building

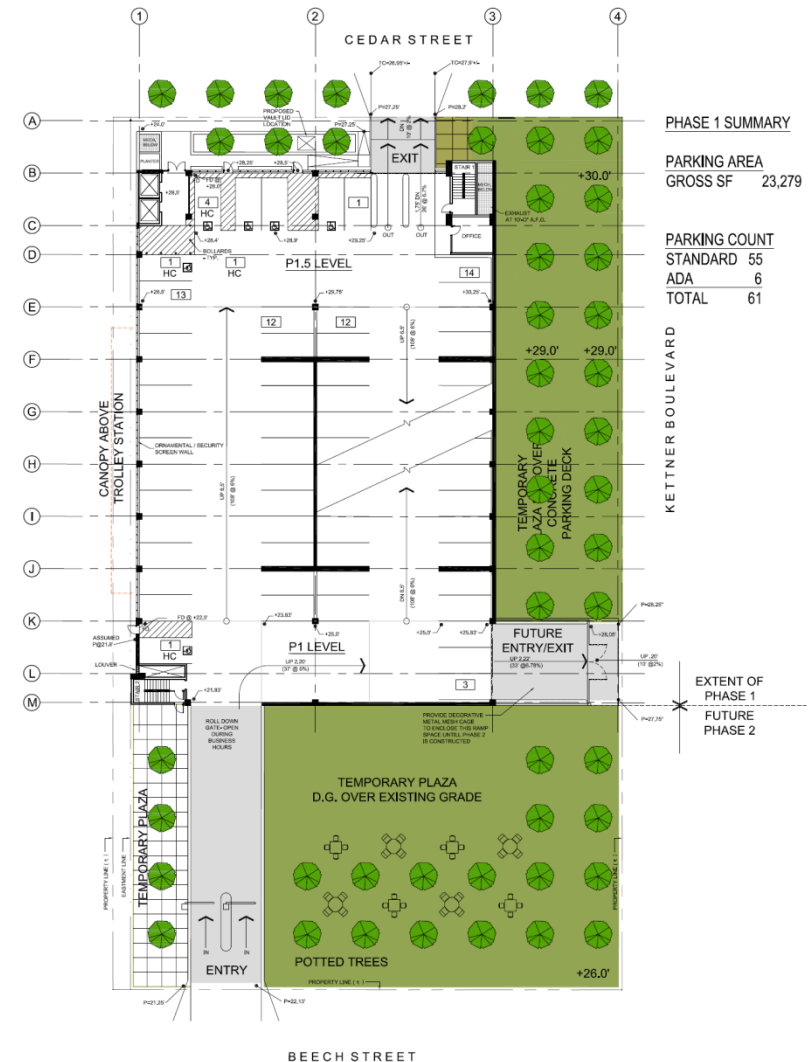


Looking west to the CAC



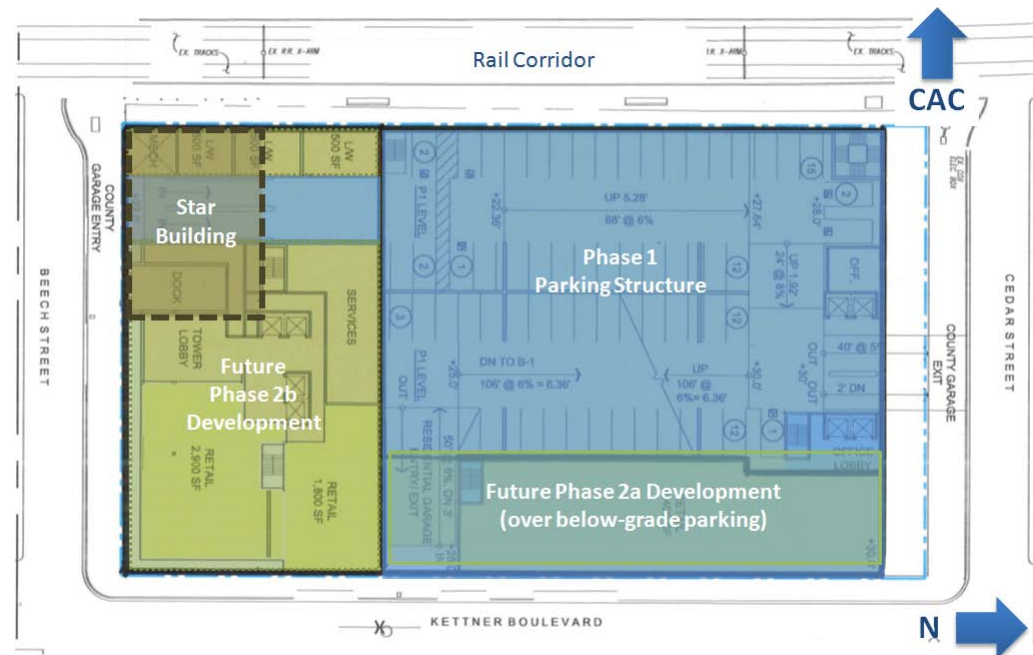
PROJECT OVERVIEW

- 600-space County parking structure
 - Three above-ground levels, four below-ground levels
 - All spaces are expected to be available for public parking on a fee basis during the evenings and on weekends and holidays
- Demolish Star Building and Warehouse
- Soil Remediation
- Phase 2a and 2b temporary enhancements



PROJECT SCHEDULE

Task	Schedule
Design-Build Procurement, Award	June 2012 – November 2012
Design Development	December 2012 – July 2013
CAC Waterfront Park Construction	Fall 2012 – Summer 2014
C&K Parking Structure Construction	Summer 2013 – Winter 2014
C&K Phase 2a, 2b Development	TBD



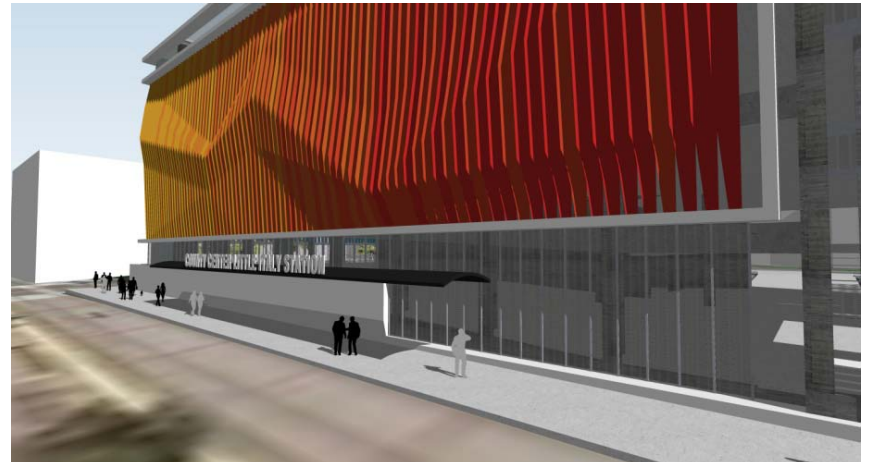
PROJECT BUDGET

Project Costs (millions)

Construction	\$23.40
Design & Administrative Fees	3.50
Soil & Groundwater Mitigation	4.90
Offsite Improvements (Rail corridor, utilities, etc.)	1.50
Managed Parking Contract	1.50
Regulatory Permits, Fees, Approvals	0.70
Other Project Administrative Costs	0.60
TOTAL	\$36.10

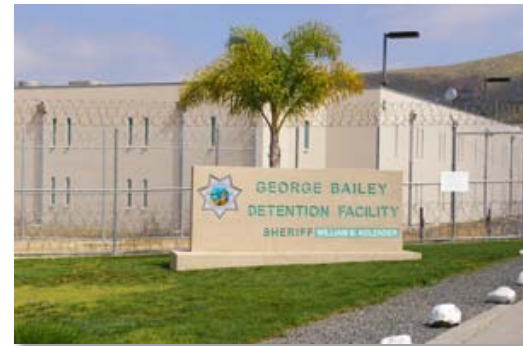
Funding Sources (millions)

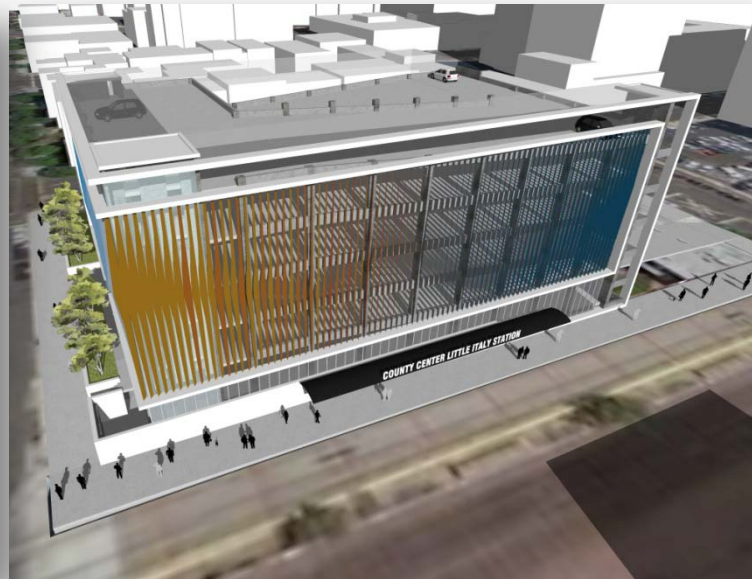
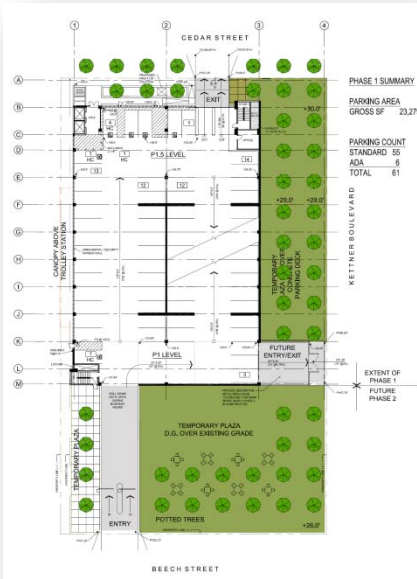
Proceeds of the 2012 COPs	\$27.84
General Fund Fund Balance	7.66
Revenue from Paid Public Parking on County Lots	0.60
TOTAL	\$36.10



LEASED PROPERTY: GEORGE BAILEY DETENTION FACILITY

- 248,952 square foot facility located in Otay Mesa, in south San Diego County
- Maximum security facility with a capacity for 1,696 inmates and an average daily population of 1,500 inmates
- Largest facility operated under the County Sheriff's jurisdiction
- Facilities include: housing units with facilities for special management inmates and facilities for medical services, inmate processing, and administration
- County staff at the facility include sworn and professional staff. Services provided include food, religious, medical, counseling, laundry and supply, administrative support, detention processing, and maintenance
- Constructed in 1991, fully operational in 1994
- Replacement cost: \$76 million





2012 COPS & COUNTY LONG-TERM OBLIGATIONS

2012 CERTIFICATES OF PARTICIPATION CEDAR & KETTNER DEVELOPMENT PROJECT *

Estimated Par	<ul style="list-style-type: none">• \$29.9 million
Coupon Structure	<ul style="list-style-type: none">• 100% fixed rate
Annual Lease Payment	<ul style="list-style-type: none">• August and February payments• Paid to Trustee by July 5th of each fiscal year• Secured by General Fund, which is anticipated to be fully reimbursed with revenues received under tax sharing agreement with the City of San Diego
Final Maturity	<ul style="list-style-type: none">• February 1, 2042
Reserve Fund Requirement	<ul style="list-style-type: none">• Common Reserve Fund with 2011 COPs• Fully cash-funded• Lesser of:<ul style="list-style-type: none">✓ 10% of par✓ 125% of average annual debt service✓ Maximum annual debt service



SOURCES & USES *

Sources	
Proceeds of COPs	\$29,925,000
County Contribution	8,260,000
Total Sources	\$38,185,000

Uses	
Project Fund	\$36,100,000
Reserve Fund	1,668,897
Underwriter's Discount	164,587
Costs of Issuance	251,516
Total Uses	\$38,185,000



BASE RENTAL PAYMENTS

2011 COPS & 2012 COPS

Date	2012 Cedar and Kettner Development COPS			2011 CAC Waterfront Park COPS			TOTAL BASE RENTAL PAYMENTS
	Principal	Interest	2012 C&K COPS Total P+I	Principal	Interest	2011 CAC WFP COPS Total P + I	
06/30/12	-	-	-	-	759,625.00	759,625.00	759,625.00
06/30/13	-	259,085.38	259,085.38	575,000.00	1,519,250.00	2,094,250.00	2,353,335.38
06/30/14	705,000.00	961,554.00	1,666,554.00	590,000.00	1,502,000.00	2,092,000.00	3,758,554.00
06/30/15	710,000.00	956,689.50	1,666,689.50	610,000.00	1,484,300.00	2,094,300.00	3,760,989.50
06/30/16	720,000.00	949,802.50	1,669,802.50	625,000.00	1,466,000.00	2,091,000.00	3,760,802.50
06/30/17	730,000.00	940,946.50	1,670,946.50	645,000.00	1,447,250.00	2,092,250.00	3,763,196.50
06/30/18	740,000.00	929,631.50	1,669,631.50	665,000.00	1,427,900.00	2,092,900.00	3,762,531.50
06/30/19	755,000.00	915,497.50	1,670,497.50	690,000.00	1,401,300.00	2,091,300.00	3,761,797.50
06/30/20	770,000.00	898,736.50	1,668,736.50	720,000.00	1,372,200.00	2,092,200.00	3,760,936.50
06/30/21	790,000.00	879,794.50	1,669,794.50	750,000.00	1,343,400.00	2,093,400.00	3,763,194.50
06/30/22	810,000.00	858,780.50	1,668,780.50	780,000.00	1,313,400.00	2,093,400.00	3,762,180.50
06/30/23	830,000.00	836,424.50	1,666,424.50	815,000.00	1,277,550.00	2,092,550.00	3,758,974.50
06/30/24	855,000.00	812,520.50	1,667,520.50	855,000.00	1,236,800.00	2,091,800.00	3,759,320.50
06/30/25	880,000.00	787,212.50	1,667,212.50	890,000.00	1,202,600.00	2,092,600.00	3,759,812.50
06/30/26	910,000.00	760,460.50	1,670,460.50	925,000.00	1,167,000.00	2,092,000.00	3,762,460.50
06/30/27	935,000.00	732,068.50	1,667,068.50	965,000.00	1,127,687.50	2,092,687.50	3,759,756.00
06/30/28	965,000.00	702,242.00	1,667,242.00	1,005,000.00	1,086,675.00	2,091,675.00	3,758,917.00
06/30/29	1,000,000.00	670,783.00	1,670,783.00	1,050,000.00	1,041,450.00	2,091,450.00	3,762,233.00
06/30/30	1,030,000.00	637,583.00	1,667,583.00	1,100,000.00	994,200.00	2,094,200.00	3,761,783.00
06/30/31	1,070,000.00	602,769.00	1,672,769.00	1,150,000.00	939,200.00	2,089,200.00	3,761,969.00
06/30/32	1,105,000.00	565,961.00	1,670,961.00	1,205,000.00	884,575.00	2,089,575.00	3,760,536.00
06/30/33	1,140,000.00	527,286.00	1,667,286.00	1,270,000.00	822,818.76	2,092,818.76	3,760,104.76
06/30/34	1,185,000.00	483,510.00	1,668,510.00	1,335,000.00	757,731.26	2,092,731.26	3,761,241.26
06/30/35	1,235,000.00	438,006.00	1,673,006.00	1,400,000.00	689,312.50	2,089,312.50	3,762,318.50
06/30/36	1,280,000.00	390,582.00	1,670,582.00	1,475,000.00	617,562.50	2,092,562.50	3,763,144.50
06/30/37	1,325,000.00	341,430.00	1,666,430.00	1,550,000.00	541,968.76	2,091,968.76	3,758,398.76
06/30/38	1,375,000.00	290,550.00	1,665,550.00	1,630,000.00	462,531.26	2,092,531.26	3,758,081.26
06/30/39	1,430,000.00	236,925.00	1,666,925.00	1,715,000.00	378,993.76	2,093,993.76	3,760,918.76
06/30/40	1,490,000.00	181,155.00	1,671,155.00	1,800,000.00	291,100.00	2,091,100.00	3,762,255.00
06/30/41	1,550,000.00	123,045.00	1,673,045.00	1,890,000.00	198,850.00	2,088,850.00	3,761,895.00
06/30/42	1,605,000.00	62,595.00	1,667,595.00	1,990,000.00	101,987.50	2,091,987.50	3,759,582.50



2012 COP PAYMENTS & GENERAL FUND LONG-TERM OBLIGATIONS

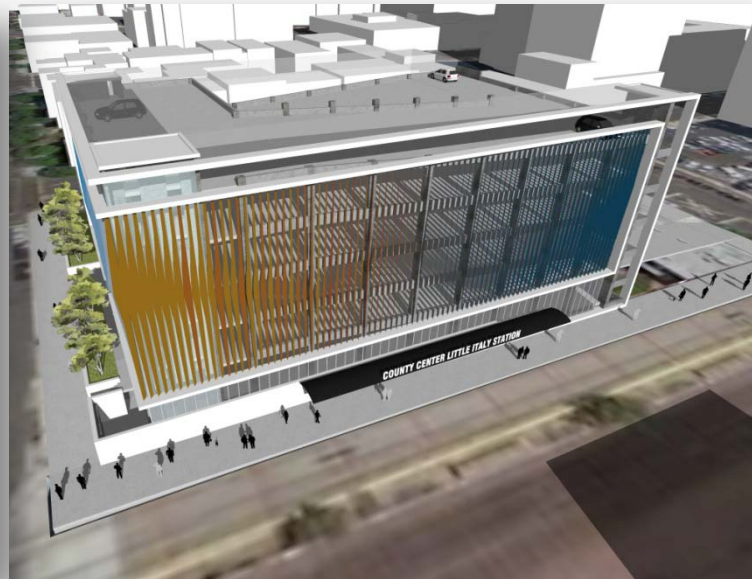
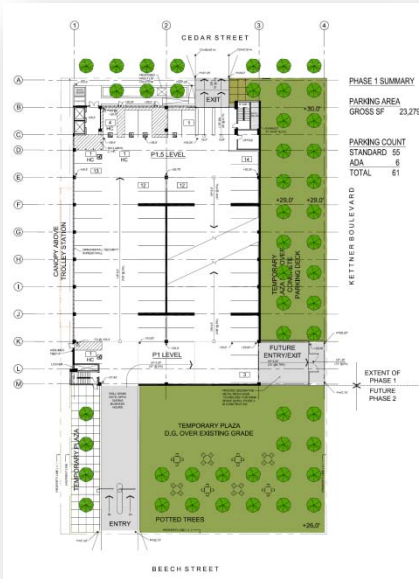
Date	Principal	Coupon	Interest	A	B	C	D
				2012 COPs Total P+I	Exisiting COPs & LRBs	POBs	TOTAL GENERAL FUND OBLIGATIONS
06/30/13	-	-	259,085.38	259,085.38	43,130,001.26	81,418,216.26	124,807,302.90
06/30/14	705,000.00	0.690%	961,554.00	1,666,554.00	36,970,413.76	81,412,921.86	120,049,889.62
06/30/15	710,000.00	0.970%	956,689.50	1,666,689.50	35,460,388.76	81,411,606.39	118,538,684.65
06/30/16	720,000.00	1.230%	949,802.50	1,669,802.50	35,380,601.26	81,414,497.22	118,464,900.98
06/30/17	730,000.00	1.550%	940,946.50	1,670,946.50	35,400,988.76	81,338,705.37	118,410,640.63
06/30/18	740,000.00	1.910%	929,631.50	1,669,631.50	35,414,701.26	81,411,311.29	118,495,644.05
06/30/19	755,000.00	2.220%	915,497.50	1,670,497.50	34,553,251.26	81,413,554.66	117,637,303.42
06/30/20	770,000.00	2.460%	898,736.50	1,668,736.50	31,781,926.26	81,408,322.84	114,858,985.60
06/30/21	790,000.00	2.660%	879,794.50	1,669,794.50	27,716,901.26	81,411,641.59	110,798,337.35
06/30/22	810,000.00	2.760%	858,780.50	1,668,780.50	27,709,701.26	81,408,072.62	110,786,554.38
06/30/23	830,000.00	2.880%	836,424.50	1,666,424.50	27,388,076.26	81,331,259.54	110,385,760.30
06/30/24	855,000.00	2.960%	812,520.50	1,667,520.50	25,410,826.26	81,414,298.68	108,492,645.44
06/30/25	880,000.00	3.040%	787,212.50	1,667,212.50	25,401,688.76	81,420,053.78	108,488,955.04
06/30/26	910,000.00	3.120%	760,460.50	1,670,460.50	24,155,070.00	81,415,400.40	107,240,930.90
06/30/27	935,000.00	3.190%	732,068.50	1,667,068.50	21,245,445.00	67,113,946.75	90,026,460.25
06/30/28	965,000.00	3.260%	702,242.00	1,667,242.00	21,238,862.50		22,906,104.50
06/30/29	1,000,000.00	3.320%	670,783.00	1,670,783.00	21,243,743.76		22,914,526.76
06/30/30	1,030,000.00	3.380%	637,583.00	1,667,583.00	21,243,656.26		22,911,239.26
06/30/31	1,070,000.00	3.440%	602,769.00	1,672,769.00	11,966,706.26		13,639,475.26
06/30/32	1,105,000.00	3.500%	565,961.00	1,670,961.00	11,964,275.00		13,635,236.00
06/30/33	1,140,000.00	3.840%	527,286.00	1,667,286.00	11,969,018.76		13,636,304.76
06/30/34	1,185,000.00	3.840%	483,510.00	1,668,510.00	11,968,393.76		13,636,903.76
06/30/35	1,235,000.00	3.840%	438,006.00	1,673,006.00	11,966,325.00		13,639,331.00
06/30/36	1,280,000.00	3.840%	390,582.00	1,670,582.00	11,971,468.76		13,642,050.76
06/30/37	1,325,000.00	3.840%	341,430.00	1,666,430.00	2,091,968.76		3,758,398.76
06/30/38	1,375,000.00	3.900%	290,550.00	1,665,550.00	2,092,531.26		3,758,081.26
06/30/39	1,430,000.00	3.900%	236,925.00	1,666,925.00	2,093,993.76		3,760,918.76
06/30/40	1,490,000.00	3.900%	181,155.00	1,671,155.00	2,091,100.00		3,762,255.00
06/30/41	1,550,000.00	3.900%	123,045.00	1,673,045.00	2,088,850.00		3,761,895.00
06/30/42	1,605,000.00	3.900%	62,595.00	1,667,595.00	2,091,987.50		3,759,582.50



FINANCING SCHEDULE

Date	Activity
September 11	<ul style="list-style-type: none">• County Board of Supervisors approved financing
September 18	<ul style="list-style-type: none">• SANCAL Board of Directors approved financing
Week of 10/1	<ul style="list-style-type: none">• Receive Ratings• Post Preliminary Official Statement
Week of 10/8	<ul style="list-style-type: none">• Pricing
Week of 10/22	<ul style="list-style-type: none">• Close





CLOSING REMARKS

CONCLUSION

- County operates within a diverse, recovering economy
- County continues to proactively monitor and manage assessed valuation
- County has institutionalized and continues to practice conservative fiscal management:
 - Proactively managing cost structure
 - Consistently maintaining strong fund balances and reserves
 - Close monitoring of current and future capital needs
 - Continued review of and response to pension fund performance
- County continues to position itself to successfully provide services while managing slow economic recovery, uncertainty of State budget actions, and the changing needs of County residents

